

Crater Exploration, Inc.

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Midvale, Utah 84047
(801) 255-3183

File ACT/019/016
RECEIVED

JUL 11 1984

**DIVISION OF OIL
GAS & MINING**

July 6, 1984

State of Utah
D.O.G.M.
4241 State Office Building
Salt Lake City, UT 84114

ATTENTION: Susan Linner

RE: Taylor Placer Property, ACT/019/016
Grand County, Utah

Dear Ms. Linner:

It has been some time since we received your response to our mining permit application. We appreciate your suggestions and have taken proper note in setting up our operation according to the best means at our disposal.

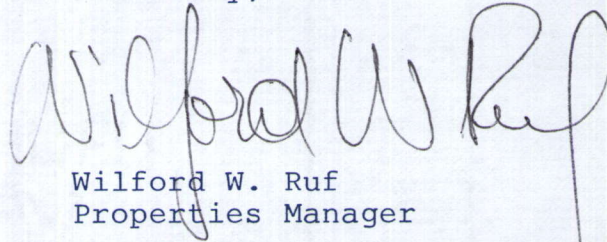
We have gone through some tranformation of our process since we first applied for a permit. As you are aware, we have changed our system to flotation recovery which necessitated the addition of certain biodegradable chemicals and also changed the layouts of our systems set-ups on that property. We realized of course, that the first thing we had to do was to get approval of the Department of Health for the use of such chemicals. This we have proceeded to do and you will find enclosed a letter from the Water Pollution Board granting us the use of the system layout for flotation reagents as it now exists. We have lined the tailings ponds on "Nancy" and the "Cato" units with full approval received for "Nancy" and the physical inspection on the "Cato" units is taking place on July 6, 1984 and approval for those expected shortly. Enclosed are the design specifications for the ponds and the new layouts for both "Cato" units and "Nancy".

Enclosed also are replies to your questions on the permit. You will find them answered to the best of our knowledge and ability at this time. We also realize that these items must be considered from a practical standpoint as well as in a reasonable and realistic manner.

We have, by your own admission, been more cooperative with you on application matters than anyone else on the Colorado River and hope to continue on with that relationship.

Please give this matter your considerable consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wilford W. Ruf". The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

Wilford W. Ruf
Properties Manager

WWR/lba
Enclosures